

## **Loan Program Implementation Plan**

Outline the milestones, projected expenses and responsibility for:

(A) Completion of the BCRLF Operations Flow Chart

A flow diagram identifies each step in the BCRLF process. Examples of steps include loan application, review, approval, payment requests from EPA, disbursement of funds to borrowers, clean-up activities, and tracking/monitoring of project and reporting on program performance. In addition, the diagram should identify responsibility for each step, the estimated time to complete each step of the BCRLF process, and the sequence of events.

(B) Program Guidelines.

Program guidelines describe the operating procedures of the recipient's BCRLF program. For example, the guidelines should provide a narrative description of each step in the loan process contained in the BCRLF Operating Flow Chart, discuss the process for financial review and loan approval, detail how the lead agency will integrate and manage site clean-up related issues to ensure compliance with CERCLA and the NCP, and discuss channels of communication among the implementing parties.

(C) Develop Financial Plan:

The financial plan should establish a formal protocol for loan selection, and financing of the long term operations of the BCRLF. Examples of subjects that should be in the plan include: site eligibility, borrower eligibility, project selection criteria, underwriting criteria, loan credit enhancements, loan terms (loan amounts, interest rates, loan fees, repayment schedules, final maturities), disbursement procedures, default procedures and capitalization through program income or other sources of funding. The plan must address how program income (payments of principal and interest and fees) will be used. Please note that program income must be used before requesting additional payments from EPA. The financial plan should also document record keeping, loan accounting and financial reporting, accounting and auditing requirements and records retention requirements.

(D) Program And Loan Documentation

An important component of an implementation plan is the development of program supporting documents. Examples include:

- Pre-application and application material;
- Program fact sheets;
- Information on eligible sites and activities;
- Outlines and checklists for technical documentation; and
- Health and Safety guidelines (based on state regulations).

Some site specific environmental response documents may require the development of formats at this stage of the BCRLF implementation process. Examples of such site specific document formats include:

- Engineering Evaluation and Cost Analysis Reports;
- Quality Assurance Project Plans for confirmation sampling during clean-up;
- Clean-up monitoring reports; and
- Models for loan agreements and associated documentation.

Formats for site specific financial documents may also be useful. For example, the recipient may also develop a memoranda format to describe:

- The financial capacity of the borrower;

- Loan collateral; and
- The borrower's plan for development/disposition of the property once cleanup is completed.

Other model financial documents may include promissory notes, mortgages and recordation documents, and similar materials.

Please note that as part of the Agency's substantial involvement, EPA may review and approve model loan agreements

(E) Issuance of Loans and Disbursement of Funds

Outline the milestones, projected expenses and responsibility for:

- Reviewing and approving loan applications.
- Securing collateral
- Ensuring borrower compliance with program requirements (e.g. BCRLF response requirements, payment of prevailing wages)
- Developing loan disbursement schedules.
- Obtaining payments from EPA to finance loans
- Ensuing compliance with loan agreements (e.g. repayment schedules, reporting requirements).
- Depositing repayments of principal, interest payments and fees.
- Quarterly reporting on significant progress towards using funds available from EPA for loans.